

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>				1. CONTRACT ID CODE		PAGE OF PAGES 1   7	
2. AMENDMENT/MODIFICATION NO. 0005		3. EFFECTIVE DATE 28 March 2003		4. REQUISITION/PURCHASE REQ. NO.		5. PROJECT NO. (If applicable)	
6. ISSUED BY Contracting Officer, Dahlgren Division Naval Surface Warfare Center 17320 Dahlgren Road Dahlgren, VA 22448-5100		CODE N00178		7. ADMINISTERED BY (If other than Item 6)		CODE	
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)				(✓)		9A. AMENDMENT OF SOLICITATION NO.  N00178-03-R-3002	
				X		9B. DATED (SEE ITEM 11) 1 November 2002	
						10A. MODIFICATION OF CONTRACT/ORDER NO.	
						10B. DATED (SEE ITEM 13)	
CODE		FACILITY CODE					
<b>11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS</b>							
<input checked="" type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended, <input checked="" type="checkbox"/> is not extended.							
Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning <u>1</u> copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.							
12. ACCOUNTING AND APPROPRIATION DATA (If required)							
<b>13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.</b>							
<input checked="" type="checkbox"/> A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.							
B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103 (b).							
C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:							
D. OTHER (Specify type of modification and authority)							
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input type="checkbox"/> is required to sign this document and return _____ copies to the issuing office.							
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)							

SEE PAGE 2 HEREOF

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)	
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)		16B. UNITED STATES OF AMERICA BY (Signature of Contracting Officer)	
15C. DATE SIGNED		16C. DATE SIGNED	

**BLOCK 14: DESCRIPTION OF AMENDMENT**

a. The purpose of this amendment is to classify the resulting contracts from this Request for Proposal as Performance-Based and to incorporate the applicable Cost Accounting Standard Clauses.

b. The following clause is hereby added to SECTION H – SPECIAL CONTRACT REQUIREMENTS:

**PERFORMANCE-BASED CONTRACT**

(a) This is a performance-based contract, as defined in FAR 37.6.

(b) All Task Orders issued against this contract shall be reviewed on an annual basis to determine if the requirement can meet the following criteria:

(1) The work can be defined in terms of “what” is to be the required output rather than “how” the work is to be accomplished or the number of hours to be provided;

(2) Assessment of the work performance against measurable performance standards, and

(3) Contractor can develop and institute innovative and cost-effective methods of performing.

(c) If a requirement can meet the criteria as identified, the Statement of Work for the Order shall be issued as performance based.

(d) Contractor performance on all Orders will be reviewed in accordance with the Quality Assurance Surveillance Plan (QASP) included in Section E of this Contract.

(e) The QASP defines this review and acceptance to be part of the annual Contractor Performance Assessment Reporting System (CPARS). The contractor may obtain more information regarding the CPARS process at the following internet site:

<http://cpars.navy.mil>

c. The following clause is hereby added to SECTION E – INPSECTION AND ACCEPTANCE

**QUALITY ASSURANCE SURVEILLANCE PLAN (QASP)**

1.0 The contractor's performance will be evaluated through the Contractor Performance Assessment Reporting System (CPARS). The CPARS evaluation is accomplished on an annual basis. The CPARS evaluation will be based on all task orders performed (in whole or in part) during the previous 12-month period. The primary

Government official responsible for the CPARS evaluation is the Contracting Officer's Representative (COR) for the contract. The COR may be assisted, as necessary, by other Government individuals having information relevant to the quality of contractor performance.

2.0 Contractor performance will be assessed on a continuing basis throughout the year based on review of deliverables (technical and management), technical meetings, formal In-Progress Reviews, and general contacts with the contractor.

3.0 Contractor performance will be evaluated in five general areas. A rating of Exceptional, Very Good, Satisfactory, Marginal or Unsatisfactory will be assigned to each area. These general areas are described below. The items identified under each area represent the types of considerations to be addressed. They should not be considered an exclusive list. The degree of Government technical direction necessary to solve problems that arise during performance will be a consideration for each area. Improvements made in an area during the evaluation period will also be considered as will degradation in the overall quality of performance.

3.1 Quality of Product or Service - Addresses the extent to which the contractor (a) met contract technical requirements, including the accuracy and completeness of reports/data delivered; (b) employed methods and approaches to ensure fully successful performance; (c) consistently conveyed his intended approach clearly and completely to ensure that there were no surprises; (d) was proactive and demonstrated initiative; (e) remained flexible to internal or external changes and (f) was effective in developing and implementing process improvements to make the end product development more efficient and the end product display more effective.

3.2 Schedule - Addresses the extent to which the contractor met contract schedules, including the need for deadline extensions.

3.3 Cost Control - Addresses the contractor's overall effectiveness in controlling both direct and indirect costs as well as the incidence of cost overruns.

3.4 Business Relations - Addresses the responsiveness of the contractor's upper-level management to Government concerns and needs, the effectiveness of the contractor's management interface with the Government, and the overall cooperativeness and receptiveness of the contractor in dealing with the Government on both technical and management issues.

3.5 Management of Key Personnel - Addresses the overall quality of the contractor's team, including their education, relevant experience, skill levels and expertise as well as the degree of compliance with the terms of the contract regarding Key Personnel. Also includes the effectiveness of the contractor's efforts to retain or attract qualified personnel.

**EVALUATION RATINGS: DEFINITIONS**

**Exceptional.** Performance meets contractual requirements and exceeds many to the Government's benefit. The contractual performance of the element or sub-element being assessed was accomplished with few minor problems for which corrective actions taken by the contractor were highly effective.

**Very Good.** Performance meets contractual requirements and exceeds some to the Government's benefit. The contractual performance of the element or sub-element being assessed was accomplished with some minor problems for which corrective actions taken by the contractor were effective.

**Satisfactory.** Performance meets contractual requirements. The contractual performance of the element or sub-element contains some minor problems for which corrective actions taken by the contractor appear or were satisfactory.

**Marginal.** Performance does not meet some contractual requirements. The contractual performance of the element or sub-element being assessed reflects a serious problem for which the contractor has not yet identified corrective actions. The contractor's proposed actions appear only slightly effective or were not fully implemented.

**Unsatisfactory.** Performance did not meet most contractual requirements and recovery is not likely in a timely manner. The contractual performance of the element or sub-element being assessed contains serious problem(s) for which the contractor's corrective actions appear or were ineffective.

d. The following clause is hereby added to SECTION I – CONTRACT CLAUSES:

FAR 52.230-2 – Cost Accounting Standards (Apr 1998)

e. The following clause is hereby added to SECTION K – REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENT OF OFFERORS. This certification must be returned to the Contracting Officer no later than 10 days after the date of this amendment.

FAR 52-230-1 – Cost Accounting Standards Notices and Certification (Jun 2000)

Note: This notice does not apply to small businesses or foreign governments. This notice is in three parts, identified by Roman numerals I through III.

Offerors shall examine each part and provide the requested information in order to determine Cost Accounting Standards (CAS) requirements applicable to any resultant contract.

If the offeror is an educational institution, Part II does not apply unless the contemplated contract will be subject to full or modified CAS coverage pursuant to 48 CFR 9903.201-2(c)(5) or 9903.201-2(c)(6), respectively.

I. Disclosure Statement -- Cost Accounting Practices and Certification

(a) Any contract in excess of \$500,000 resulting from this solicitation will be subject to the requirements of the Cost Accounting Standards Board (48 CFR Chapter 99), except for those contracts which are exempt as specified in 48 CFR 9903.201-1.

(b) Any offeror submitting a proposal which, if accepted, will result in a contract subject to the requirements of 48 CFR Chapter 99 must, as a condition of contracting, submit a Disclosure Statement as required by 48 CFR 9903.202. When required, the Disclosure Statement must be submitted as a part of the offeror's proposal under this solicitation unless the offeror has already submitted a Disclosure Statement disclosing the practices used in connection with the pricing of this proposal. If an applicable Disclosure Statement has already been submitted, the offeror may satisfy the requirement for submission by providing the information requested in paragraph (c) of Part I of this provision.

Caution: In the absence of specific regulations or agreement, a practice disclosed in a Disclosure Statement shall not, by virtue of such disclosure, be deemed to be a proper, approved, or agreed-to practice for pricing proposals or accumulating and reporting contract performance cost data.

(c) Check the appropriate box below:

\* (1) *Certificate of Concurrent Submission of Disclosure Statement.* The offeror hereby certifies that, as a part of the offer, copies of the Disclosure Statement have been submitted as follows:

(i) Original and one copy to the cognizant Administrative Contracting Officer (ACO) or cognizant Federal agency official authorized to act in that capacity (Federal official), as applicable; and

(ii) One copy to the cognizant Federal auditor.

(Disclosure must be on Form No. CASB DS-1 or CASB DS-2, as applicable. Forms may be obtained from the cognizant ACO or Federal official and/or from the loose-leaf version of the Federal Acquisition Regulation.)

Date of Disclosure Statement: \_\_\_\_\_ Name  
and Address of Cognizant ACO or Federal Official Where  
Filed: \_\_\_\_\_

The offeror further certifies that the practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the Disclosure Statement.

\* (2) *Certificate of Previously Submitted Disclosure Statement.* The offeror hereby certifies that the required Disclosure Statement was filed as follows:

Date of Disclosure Statement: \_\_\_\_\_ Name and  
Address of Cognizant ACO or Federal Official Where Filed:  
\_\_\_\_\_

The offeror further certifies that the practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the applicable Disclosure Statement.

\* (3) *Certificate of Monetary Exemption.* The offeror hereby certifies that the offeror, together with all divisions, subsidiaries, and affiliates under common control, did not receive net awards of negotiated prime contracts and subcontracts subject to CAS totaling \$50 million or more in the cost accounting period immediately preceding the period in which this proposal was submitted. The offeror further certifies that if such status changes before an award resulting from this proposal, the offeror will advise the Contracting Officer immediately.

\* (4) *Certificate of Interim Exemption.* The offeror hereby certifies that

(i) the offeror first exceeded the monetary exemption for disclosure, as defined in (3) of this subsection, in the cost accounting period immediately preceding the period in which this offer was submitted and

(ii) in accordance with 48 CFR 9903.202-1, the offeror is not yet required to submit a Disclosure Statement. The offeror further certifies that if an award resulting from this proposal has not been made within 90 days after the end of that period, the offeror will immediately submit a revised certificate to the Contracting Officer, in the form specified under subparagraph (c)(1) or (c)(2) of Part I of this provision, as appropriate, to verify submission of a completed Disclosure Statement.

Caution: Offerors currently required to disclose because they were awarded a CAS-covered prime contract or subcontract of \$50 million or more in the current cost accounting period may not claim this exemption (4). Further, the exemption applies only in connection with proposals submitted before expiration of the 90-day period following the cost accounting period in which the monetary exemption was exceeded.

## **II. Cost Accounting Standards -- Eligibility for Modified Contract Coverage**

If the offeror is eligible to use the modified provisions of 48 CFR 9903.201-2(b) and elects to do so, the offeror shall indicate by checking the box below. Checking the box below shall mean that the resultant contract is subject to the Disclosure and Consistency of Cost Accounting Practices clause in lieu of the Cost Accounting Standards clause.

\* The offeror hereby claims an exemption from the Cost Accounting Standards clause under the provisions of 48 CFR 9903.201-2(b) and certifies that the offeror is eligible for use of the Disclosure and Consistency of Cost Accounting Practices clause because during the cost accounting period immediately preceding the period in which this proposal was submitted, the offeror received less than \$50 million in awards of CAS-covered prime contracts and subcontracts. The offeror further certifies that if such status changes before an award resulting from this proposal, the offeror will advise the Contracting Officer immediately.

Caution: An offeror may not claim the above eligibility for modified contract coverage if this proposal is expected to result in the award of a CAS-covered contract of \$50 million or more or if, during its current cost accounting period, the offeror has been awarded a single CAS-covered prime contract or subcontract of \$50 million or more.

## **III. Additional Cost Accounting Standards Applicable to Existing Contracts**

The offeror shall indicate below whether award of the contemplated contract would, in accordance with subparagraph (a)(3) of the Cost Accounting Standards clause, require a change in established cost accounting practices affecting existing contracts and subcontracts.

\* yes \* no

f. No other changes apply.